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MICHIGAN LABOR MARKET REVIEW

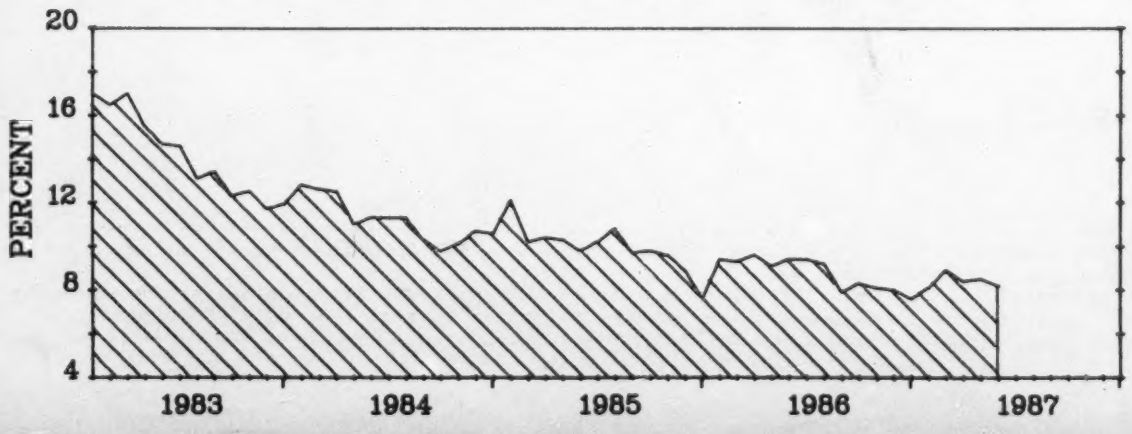
JOB SERVICE
Michigan Employment Security Commission

SUMMER JOBS FORCES UNEMPLOYMENT TO DECLINE

The statewide unemployment rate dipped by three tenths of a percentage point during the month as the jobless rate declined from 8.5 percent in April to 8.2 percent in May. The rate decrease represents 11,000 fewer individuals out of work, as total state residents seeking employment dropped to 368,000. The decrease in joblessness was primarily a result of seasonal hiring for the summer season. Total employment in May registered a gain as the number of employed state residents grew by 78,000 to reach 4,150,000. Additionally, the civilian labor force reached a record high 4,518,000, up 68,000 from one month ago. Compared with a year ago, employment in Michigan has jumped by 157,000, while the size of the labor force has expanded by 109,000. In May 1986, the total number of persons out of work amounted to 417,000, representing an unemployment rate of 9.4 percent.

SEASONAL JOB GROWTH IN STATEWIDE PAYROLLS

Michigan's wage and salary employment advanced for the fourth consecutive month as total industry jobs rose to 3,710,000 in May. The monthly figure was the highest employment level recorded since December 1978 when there was 3,712,000 jobs statewide. Employment opportunities advanced by approximately 24,000 as gains were centered in both the goods producing and service producing sectors of the economy. Total employment in the goods producing industries, inched upward by 4,000 as seasonal construction gains offset manufacturing cutbacks. Service producing employment rose by 20,000 to 2,591,000 in May, as retail trade and services continued to expand. Public sector positions slipped by 7,000 as state level losses offset local level gains. Since May 1986, industry employment in Michigan has increased by 65,000 positions or 1.8 percent. Approximately 75,000 service producing jobs have been added throughout the year, while goods producing employment has dropped by 10,000.



Civilian Labor Force, Employment, and Unemployment Estimates

State of Michigan

ITEM	MAY 1987	APR 1987	MAR 1987	MAY 1986
PLACE OF RESIDENCE				
Civilian Labor Force	4518	4451	4464	4409
Employment	4149	4072	4088	3992
Unemployment	368	379	376	416
Rate	8.2	8.5	8.4	9.4
PLACE OF WORK				
Wage and Salary Employment	3710	3686	3642	3645
Goods Producing Industries	1118	1115	1095	1129
Construction and Mining	146	133	117	128
Mining	11	10	10	10
Construction	135	123	106	117
Special trade Contractors	87	80	71	75
Other Construction	47	42	35	42
Manufacturing	972	981	978	1001
Durable Goods	751	760	758	785
Lumber and Wood Products	14	13	13	13
Furniture and Fixtures	27	27	27	27
Stone, Clay and Glass Products	17	16	16	17
Metals	167	168	168	174
Primary Metals	48	48	48	50
Fabricated Metals	118	119	119	124
Nonelectrical Machinery	124	125	125	134
Electrical Machinery	37	38	38	38
Transportation Equipment	341	348	347	358
Motor Vehicles and Equipment	318	325	324	337
Other Transportation Equipment	23	23	22	21
Other Durable Goods	22	22	22	21
Nondurable Goods	221	220	219	215
Food and Kindred Products	45	44	43	44
Textiles and Apparel	23	24	24	22
Paper and Allied Products	21	21	21	21
Printing and Publishing	37	38	38	37
Chemicals and Petroleum	43	43	43	42
Other Nondurable Goods	49	49	48	46
Rubber and Plastic Prod.	47	46	46	43
Leather Products	2	2	2	2
Service Producing Industries	2591	2570	2546	2516
Trans., Comm. and Utilities	151	148	148	146
Transportation and Utilities	116	114	113	111
Communications	34	34	34	35
Wholesale Trade	177	177	176	176
Durable Goods	115	114	114	113
Nondurable Goods	62	62	62	62
Retail Trade	663	648	635	633
General Merchandise Stores	93	91	91	90
Food Stores	90	89	88	87
Automotive Dealers and Services	73	73	73	72
Eating and Drinking Places	236	227	218	221
Other Retail Trade	169	166	163	161
Finance, Insurance and Real Estate	179	177	175	169
Finance	91	90	89	87
Insurance and Real Estate	88	86	85	81
Services	808	800	794	784
Business Services	173	172	171	163
Health Services	266	266	266	263
Other Services	367	362	356	356
Government	611	618	616	606
Federal	61	60	60	60
State	149	160	157	145
Local	401	397	398	401
Labor Disputes	0	0	0	1

CIVILIAN LABOR FORCE data are based on the monthly Current Population Survey of the U.S. Bureau of Labor Statistics - 1986 Benchmark.
WAGE AND SALARY EMPLOYMENT is based on a monthly sample of employing establishments as part of the cooperative federal-state Current Employment Statistics program - March 1986 Benchmark.

CLAIMS ACTIVITY

Individuals collecting regular unemployment benefits decreased for the third consecutive month in May. The regular benefits claims load averaged 101,517 per week during the month, approximately 30,903 less than the April total.

The 23 percent decrease in the monthly average was primarily due to seasonal hirings in retail trade and construction. In May 1986, the number of claimants drawing benefits under the regular benefit program averaged 88,952, or approximately 12 percent lower than the present total.

WEEKLY CLAIMS FOR UNEMPLOYMENT INSURANCE

Week Ending	Michigan			Detroit		
	Total	Initial	Continued	Total	Initial	Continued
May 02, 1987	128,500	13,400	115,100	61,200	5,500	55,700
May 09, 1987	123,500	13,700	109,800	58,700	5,900	52,800
May 16, 1987	123,400	17,200	106,200	58,000	6,100	51,900
May 23, 1987	125,700	21,300	104,400	60,700	10,700	50,000
May 30, 1987	117,300	12,900	104,400	56,300	5,500	50,800

COST OF LIVING CONTINUES TO RISE

Consumer prices in the Detroit metropolitan area increased from 327.6 in February to 330.5 in April. The increase in Detroit area prices was primarily due to higher costs for men and women's apparel. Prices in the area climbed by 3.7 percent since April 1986, when the consumer price index stood at 318.8. At the national level, the cost of living advanced by three tenths of a percent to reach 338.7 during the month.

The higher national prices were due to additional costs for transportation and food. Between April 1986 and April 1987, national consumer prices increased by 3.8 percent. One year ago, the national index registered 326.3. Note: Beginning in January 1987, the Detroit index which was previously published monthly, is now issued only for even numbered months.

HOURS AND EARNINGS

The average workweek of Michigan workers in manufacturing industries remained unchanged at 42.1 hours in May. Additional hours worked by individuals in primary metal products and nondurable goods industries were offset by shorter hours worked by persons in electrical and nonelectrical machinery and the automotive industry.

During the month average hourly earnings dropped by six cents to $12.88, while average weekly earnings decreased by $2.52 to total $542.25. In May 1986, earnings averaged $12.79 an hour or $541.02 per week for a 42.3 hour workweek.

MICHIGAN'S HOURS AND EARNINGS

Industry	Average Hourly Earnings a/			Average Weekly Hours a/			Average Weekly Earnings a/		
	May 1987	Apr 1987	May 1986	May 1987	Apr 1987	May 1986	May 1987	Apr 1987	May 1986
TOTAL MANUFACTURING	$12.88	$12.94	$12.79	42.1	42.1	42.3	$542.25	$544.77	$541.02
DURABLE GOODS	13.38	13.46	13.33	42.3	42.5	42.3	565.97	572.05	563.86
Primary Metal Products	12.73	12.77	12.02	42.9	42.6	42.6	546.12	544.00	512.05
Fabricated Metal Products	12.65	12.69	12.66	41.6	41.7	42.3	526.24	529.17	535.52
Nonelectrical Machinery	13.03	13.13	12.91	42.9	43.2	42.8	558.99	567.22	552.55
Electrical Machinery	10.99	11.23	11.05	40.8	41.2	42.4	448.39	462.68	468.52
Motor Vehicles & Equip.	15.23	15.22	15.23	42.8	43.3	42.5	651.84	659.03	647.27
NONDURABLE GOODS	11.04	10.98	10.68	41.4	40.6	42.1	457.06	445.79	449.63
Contract Construction	15.96	15.58	15.74	38.9	37.4	38.9	620.84	582.69	612.29
Department Stores	6.30	6.31	6.68	27.4	27.3	27.5	172.62	172.26	183.70

a/ Average weekly and hourly earnings are computed from aggregates of individual establishment reports utilizing the total amount paid to production workers and total production hours. Average weekly and hourly earnings differ from weekly and hourly rates in that they are affected by overtime wage rates, part-time earnings, the length of the workweek, etc.

Note: *Current month data are preliminary.*

CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT ESTIMATES
MAY 1987 (Preliminary)

Area	Civilian Labor Force	Total Employment	Total Unemployment	Unemployment Rate
United States	119,695,000	112,377,000	7,318,000	6.1
Michigan	4,518,000	4,150,000	368,000	8.2
Major Labor Markets				
Ann Arbor MSA	154,700	147,900	6,800	4.4
Battle Creek MSA	62,600	57,900	4,800	7.6
Benton Harbor MSA	77,100	71,200	5,900	7.6
Detroit MSA	2,214,000	2,035,000	179,000	8.1
Flint MSA	202,200	176,900	25,300	12.5
Grand Rapids MSA	338,500	317,700	20,700	6.1
Jackson MSA	62,300	57,300	4,900	7.9
Kalamazoo MSA	112,400	106,600	5,700	5.1
Lansing MSA	237,700	221,900	15,800	6.6
Muskegon MSA	68,100	61,100	7,000	10.3
Saginaw-Bay-Midland MSA	186,000	168,800	17,200	9.3
Upper Peninsula LMA	130,175	116,350	13,825	10.6
Major Counties (15,000+)				
Allegan	52,925	50,175	2,750	5.2
Barry	20,775	19,425	1,350	6.6
Bay	54,125	48,150	5,975	11.0
Branch	17,550	16,200	1,350	7.8
Cass	23,600	22,125	1,475	6.3
Clinton	29,950	27,675	2,250	7.6
Delta	15,875	14,200	1,675	10.5
Eaton	51,250	48,225	3,025	5.9
Grand Traverse	33,025	30,450	2,575	7.8
Gratiot	17,675	15,375	2,325	13.1
Hillsdale	19,500	17,650	1,850	9.5
Huron	15,950	14,350	1,600	10.1
Ingham	156,550	146,050	10,525	6.7
Ionia	18,800	16,725	2,100	11.1
Isabella	26,400	24,675	1,725	6.5
Kent	250,450	234,150	16,300	6.5
Lapeer	33,375	29,600	3,775	11.3
Lenawee	41,500	38,200	3,300	7.9
Livingston	51,300	48,425	2,875	5.6
Macomb	382,325	350,325	31,975	8.4
Marquette	27,600	25,200	2,375	8.6
Midland	36,125	33,300	2,800	7.8
Monroe	63,650	58,575	5,075	8.0
Montcalm	21,350	19,450	1,900	8.9
Newaygo	17,075	15,250	1,825	10.7
Oakland	579,650	541,850	37,800	6.5
Ottawa	88,000	83,575	4,450	5.1
Saginaw	95,775	87,300	8,450	8.8
St. Clair	67,150	59,775	7,375	11.0
St. Joseph	26,450	23,950	2,500	9.4
Sanilac	19,750	17,975	1,750	8.9
Shiawassee	33,375	29,625	3,750	11.3
Tuscola	22,925	20,225	2,725	11.9
Van Buren	30,825	27,850	2,975	9.6
Wayne	1,036,750	946,800	89,975	8.7

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